



GOVERNOR'S OFFICE OF
MINORITY AFFAIRS



Martin O'Malley
Governor



Anthony G. Brown
Lt. Governor

Minority Business Enterprise

ANNUAL REPORT

FISCAL YEAR 2008



GOVERNOR'S OFFICE OF MINORITY AFFAIRS

Luwanda W. Jenkins, Special Secretary

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Message From Governor Martin O'Malley



Maryland is home to one of the largest and most robust communities of small, women and minority-owned businesses in the nation. These firms represent the base for Maryland's middle class and help sustain our economy to a level unmatched anywhere else in the Country.

Together we have made real and steady progress to protect our middle class, and to expand opportunities for all Marylanders, including small, women and minority-owned businesses. In partnership with our Executive Cabinet, the Maryland General Assembly, minority business advocates and other stakeholders, we are making the Minority Business Enterprise (MBE) Program work for you.

- The State awarded over \$1.3 billion to MBEs in FY 2008 as compared to \$1.0 billion in FY 2006. This represents a 30% growth in awards over the last two fiscal years.
- Total State contract awards grew 13.8% while total MBE contract awards grew 15.9% in FY 2008.
- MBE awards to African American-owned firms grew 34% in FY 2008 as compared to FY 2006, (\$199 million in FY 2006 to \$266 million in FY 2008).
- 38% of all MBE awards in FY 2008 went to academically-rich industry sectors such as health and human services, technology and engineering.
- Payments to MBEs increased by 52.5% in FY 2008 as compared with FY 2006, (\$733 million in FY 2006 to \$1.1 billion in FY 2008).
- Payments to African American-owned firms increased by 58% in FY 2008 as compared to FY 2006, (\$124 million in FY 2006 to \$196.7 million in FY 2008).
- For FY 2008 MBE participation for 10 StateStat reporting procurement agencies collectively, was 27.2%, the highest in the State's history. MBE participation for all cabinet procurement agencies were 22.5% collectively, and 20.3% for all procurement agencies statewide.

The MBE Program progress for FY 2008 has been remarkable. Whether participating as a prime contractor or a sub-contractor, we are grateful for the services offered by Maryland's small, minority and women-owned firms. We will continue to strengthen our commitment to the success of Maryland's minority business enterprises and promote inclusion efforts that will serve our One Maryland for years to come.

Sincerely,

A handwritten signature in black ink, reading "Martin O'Malley". The signature is stylized with a large, flowing "M" and "O".

Martin O'Malley
Governor

Message From Special Secretary Luwanda W. Jenkins



We are pleased to present the Governor's Office of Minority Affairs' (GOMA) Fiscal Year 2008 Minority Business Enterprise (MBE) Annual Report. Under the leadership of Governor Martin O'Malley and Lt. Governor Anthony Brown, we are making substantial progress towards reforming the State of Maryland's MBE Program. This report highlights initiatives underway that are fulfilling the Administration's commitment to enhancing programs and access to opportunities that will allow Maryland's small, minority and women-owned firms to grow and sustain success.

Providing access to information, increased opportunities, and greater accountability are priorities for GOMA in its oversight role of the State's MBE Program. Below are a few of the MBE reform efforts that are generating results.

- 13 out of 23 MBE Recommendations from the O'Malley-Brown Transition Report on MBE have been implemented. *(Actions are underway on 4-additional recommendations.)*
- Monthly reporting of MBE activity inclusive of verifying the achievement of MBE goals.
- Monthly monitoring of MBE requirements on all State contracts prior to approval by the Board of Public Works.
- Increased outreach and advocacy to make MBE firms aware of contract and procurement opportunities.
- Establishment of a 34-Member BRAC Small/Minority Business Advisory Board to facilitate MBE inclusion in BRAC related military contracting opportunities.
- Working with the Microsoft Corporation to formalize a 2-Year commitment designed to expand opportunities to MBEs in the information technology area through partnerships on Microsoft software sales, training and opportunities for IT firms to subcontract as a Microsoft vendor.

We invite your review of this report. Working together, we will succeed in our goal to generate **More Business for Everyone**.

Sincerely,

Luwanda W. Jenkins
Special Secretary

Maryland's Minority Business Enterprise (MBE) Program

Program Overview

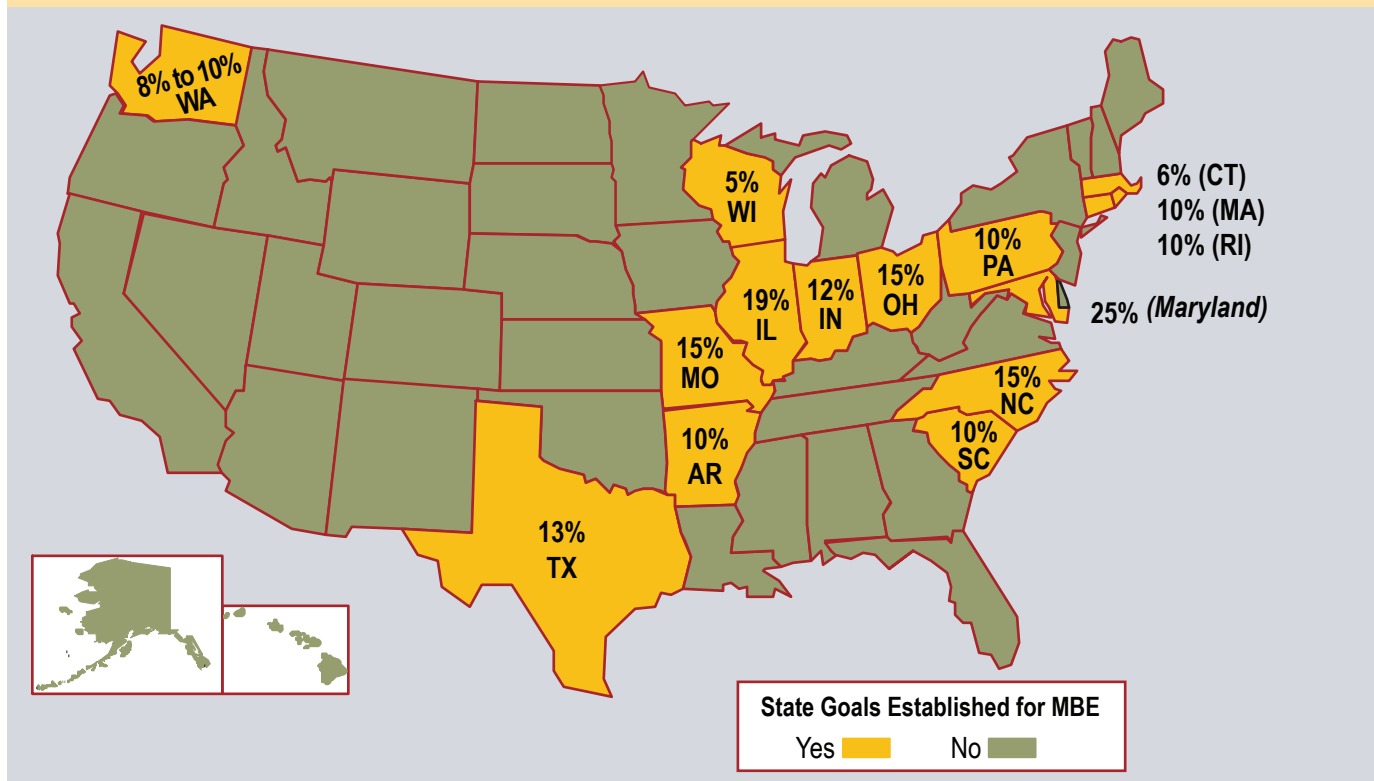
It has been 30 years since the Maryland General Assembly passed the groundbreaking legislation in 1978 establishing the Maryland MBE Program as a means to assist small, minority and women-owned firms in gaining greater access to State government contract and procurement opportunities.

Initially, the legislation required that State procurement agencies spend at least 10% of their procurement dollars with certified minority firms. As defined in the Code of Maryland Regulations (COMAR), Title 21, the term "procurement agency" means any principal department or independent unit of the Executive Branch of the State, not otherwise exempted from application of Title 21 that is authorized by law or regulations to procure. In 1995, the 10% spending goal was increased to 14%, and in 2001, it was increased to the current goal of 25% – the highest in the nation – with sub-goals of 7% for African-American and 10% for Women-owned businesses.

Maryland has the oldest MBE Program in the nation and remains one of approximately 15 states with a MBE Program. Maryland is one of only 4 states that has a MBE Law in the State statute and is the first state to establish a sub-goal for African-American owned firms. Maryland is the only state that collects uniform reporting data including payments to MBEs.

Maryland's commitment to small, minority and women-owned businesses has realized measurable levels of success. An analysis of Maryland's MBE Program's progress in FY 2008 by Sage Policy Group, Inc. and GOMA, showed remarkable improvements in awards and payments to MBEs from FY 2007 to FY 2008. MBE contract awards increased from \$1.1 billion to \$1.3 billion; MBE payments increased 48.7% from \$750 million to \$1.1 billion and, the 10 StateStat reporting cabinet procurement agencies collectively achieved 27.2% MBE participation exceeding the 25% legislated requirement.

MARYLAND HAS THE MOST AGGRESSIVE MBE GOAL IN THE COUNTRY: MBE Goals and Targets



Source: Insight Center for Community and Economic Development, State Inclusive Business Program Overview & Goals, 2007

Governor's Office of Minority Affairs

The Governor's Office of Minority Affairs (GOMA) was established to facilitate, coordinate and monitor minority business enterprise activity in Maryland. This cabinet-level office is the primary advocate for the State's more than 450,000 small, minority and women-owned businesses, and is a one-stop-shop for information, referral, and support. The Office also facilitates and encourages greater outreach to small, minority and women-owned businesses by State procurement agencies, local government and the private sector.

GOMA is responsible for statewide oversight of the MBE Program and serves in an advisory capacity to the Governor on key MBE issues in the State. GOMA directs the managerial and organizational framework of the MBE Program – by developing MBE Program policies and procedures for State procurement agencies and providing support and monitoring to ensure compliance. The MBE Program impacts roughly \$6 billion in State procurements in more than 50 participating State procurement agencies.

FY 2008 Accomplishments

GOMA has made significant and steady progress in managing Maryland's MBE Program with greater focus on accountability, monitoring and MBE compliance. FY 2008 accomplishments include:

- **Monthly reporting of MBE data through the StateStat Process.** Ten Executive Cabinet procurement agencies (Department of Business and Economic Development, Department of General Services, Department of Health and Mental Hygiene, Department of Housing and Community Development, Department of Human Resources, Department of Juvenile Services, Department of Labor, Licensing and Regulation, State Police, Department of Public Safety and Corrections and Maryland Department of Transportation) began reporting MBE data monthly through StateStat using GOMA's StateStat tracking format.

*"Our goal is to enhance
earning opportunities for a
better and stronger future,
improving the quality of life
for all Marylanders."*

The Honorable Martin O'Malley
Governor

- **Monitoring of MBE goals on contracts presented at the Maryland Board of Public Works (BPW) meetings.** GOMA participates in the pre-BPW contract review process with State procurement agencies in an effort to resolve MBE goals and/or procurement related issues, prior to contract approval.
- **Increased and enhanced compliance and monitoring of State procurement agencies to ensure consistency in how MBE guidelines are followed.**
 - Conducting ongoing MBE/Financial Management Information System (FMIS) and compliance training for agencies.
 - Developing a State Procurement Agency MBE Compliance Manual.
 - Developing a State Procurement Agency MBE Report Card to assess overall MBE performance.

- **Greater focus on changing the culture within State procurement agencies, and assisting minority firms in making inroads with agencies and facilitating contracting opportunities through:**

- Implementation of mandatory quarterly meetings for State procurement agencies' MBE Liaisons to address MBE contract/procurement concerns.
- Launching the EMPRESA Technical Assistance and Training Program, a Hispanic-focused MBE Program designed specifically for Spanish speaking entrepreneurs who want to become certified MBEs and learn how to do business with the State of Maryland.
- Working with Microsoft Corporation to formalize an MBE Partnership Project involving a two-year commitment to provide more opportunities to Maryland IT firms.

Legislation Impacting MBEs

In FY 2008, with the leadership and support of the Legislative Black Caucus of Maryland and other key Legislators, the Maryland General Assembly passed several legislative initiatives that impacted small, minority and women-owned businesses such as the **Procurement - Small Business Reserve Program - Eligibility Modifications Bill (SB 301/HB 561)**. The Bill raised the specified average annual gross sales thresholds for determining firms' eligibility for the Small Business Reserve Program, and included a new threshold for architectural and engineering firms. It also added the Maryland Transportation Authority and the Department of Information Technology to the list of procurement agencies subject to the Program.

Other noteworthy legislation includes:

- **Use of Certified MBEs for Brokerage and Investment Banking Services (SB 606)** – requires State Treasurer, Maryland Automobile Insurance

Fund, Injured Workers' Insurance Fund, and State Retirement and Pension System, to attempt to use MBEs for brokerage and investment management services to the greatest extent feasible to provide brokerage and investment management services. The four entities' use of MBEs must be consistent with MBE purchasing standards in current law and with their respective fiduciary responsibilities. The bill also requires the four entities to work with GOMA to develop guidelines to implement the bill's provisions and to submit annual reports to GOMA and the General Assembly on their use of MBE brokerage and investment firms and their efforts to encourage greater use of MBE firms. Those efforts must include the use of a wide variety of media, including their web sites, to publicize the brokerage and investment management services they use.

- **Modification of Small Business Preference Program to include Veteran-Owned & Disabled Veteran-Owned Small Businesses (HB 1431)**

– Grants additional 2% preference to Veterans and 3% to Disabled Veteran-owned firms to the existing price preference for all small businesses. Bill gives Disabled Veteran firms up to 8% preference and Veteran-owned firms up to a 7% preference.

- **Task Force on MBE Program & Equity Investment Capital (SB 847)** – Establishes a Task

Force to study the lack of private equity investment capital available to MBEs. The task force is jointly staffed by the Department of General Services and the Maryland Department of Transportation. The task force must report its recommendations to the Governor and the General Assembly and develop draft legislation by December 1, 2009. The bill took effect October 1, 2008 and terminates December 1, 2009. GOMA is a named member on the Task Force.

MBE Program Progress - Analysis of MBE Procurement Awards & Payment Data

This section of the report represents an analysis of Fiscal Year 2008 data that characterizes the extent to which MBE goals were met by various State procurement agencies. The State of Maryland's MBE program continues to make progress along virtually all dimensions. Total procurement awards rose in FY 2008, and MBEs' total procurement percentages continued to rise. Payments are up, and the State continues to do a significant volume of business with former MBEs, including graduates (firms previously certified, exceeding personal net worth of \$1.5 million and/or exceeding industry size standards set by the U.S. Small Business Administration). The findings in this analysis demonstrate the steady progress Maryland is making to reach the O'Malley-Brown Administration's goal of strengthening and growing small, minority and women-owned firms in the State of Maryland.

Summary of findings:

- 1. The proportion of total State of Maryland procurement award dollars going to certified MBEs rose to 20.3% in FY 2008, up from 20.0% in FY 2007.**

Total MBE awards rose from \$1.13 billion in FY 2007 to \$1.31 billion in FY 2008, a gain of 15.9%.

- 2. Performance relative to sub-goals continues to improve.**

Among African-American-owned firms, the percentage of total procurement rose from 3.6% in FY 2007 to 4.1% of total procurement in FY 2008. Women-owned firms increased from 5.6% in FY 2007 to 6.2% in FY 2008. Awards to Hispanic-owned firms expanded 39.1% in FY 2007 and another 53.4% in FY 2008.

- 3. Total Payments to MBEs are up again.**

Payments to MBEs rose 48.7% in FY 2008 to \$1.1 billion. In FY 2007, payments to MBEs increased 2.6%.

- 4. The State is moving closer to reaching its 25% goal of total contract awards granted to MBEs.**

Statewide MBE participation increased .3% in FY 2008. Singling out the 10 StateStat agencies collectively, the State has a 27.2% participation rate among MBE firms. It is worth noting that nearly \$590 million in State procurements (tied to maintenance, service and supply contracts in Maryland Department of Transportation, Maryland Department of Budget and Management, Maryland Department of General Services, and the University System of Maryland) in FY 2008 did not lend itself to MBE participation due to procurement contracts being sole source and/or part of cooperative purchase agreements. When that \$590 million worth of service contracts is taken into account, the MBE participation increases by 2 percentage points: from 20.3% to 22.3%.

- 5. MBE firms are moving beyond the boundaries of the State's MBE program.**

The growing number of MBE program graduates is changing the perception of the program from one historically viewed as an affirmative action public-contracting initiative to one which supports the State's economic development goals of job creation, expanded industry and increased tax revenues which benefits all Marylanders. As more highly successful MBE firms graduate from the State's program, these same firms are still able to do business with the State as larger-scale vendors and contractors which is ultimately the true measure of inclusion and long-term viability.

Performance Relative to Major Goals

Finding 1: The proportion of total State of Maryland procurement award dollars going to certified MBEs rose to 20.3% in fiscal year 2008; up from 20.0% in FY 2007.

MBE awards rose from \$1.13 billion in FY 2007 to \$1.31 billion in FY 2008, a gain of 15.9%. The gain in total MBE awards was more rapid than overall State awards, allowing the MBE participation rate to rise by .3% over the past fiscal year. (See Exhibit 1)

Exhibit 1: MBE Awards by Fiscal Year, FY 2007 and FY 2008

Fiscal Year	Total Awards (\$)	Total MBE Awards (\$)	Total MBE Participation (%)
2008	6,454,144,304	1,308,805,558	20.3
2007	5,673,549,266	1,132,262,233	20.0

Source: GOMA, Minority Business Enterprise Annual Report for FY 2007

Exhibit 2 provides statistical detail regarding MBE awards by industry/procurement category. In two categories, IT Services and Human/Cultural/Social and Education, the 25% mandated goal is exceeded. The MBE participation is 27.6% and 45.7% respectively.

Exhibit 2: Amount and Distribution of MBE Awards Among Different Industries, FY 2008

Industry/ Procurement Category	Value of Total Awards (\$)	Value of MBE Prime Contract Award (\$)	Value of MBE Subcontract Awards (\$)	Value of Total MBE Awards (\$)	Total MBE Participation (%)
Architectural/ Engineering	265,435,347	5,876,154	48,486,966	54,363,120	20.5
Construction	2,801,881,578	44,656,602	500,071,199	544,727,801	19.4
Construction Related Services	35,754,132	1,350,191	5,104,098	6,454,289	18.1
Maintenance	305,502,604	44,916,962	24,681,091	69,598,053	22.8
Services	960,643,565	127,406,245	68,622,683	196,028,929	20.4
Supplies & Equipment	708,316,913	30,710,701	11,007,459	41,718,161	5.9
IT Services	98,344,731	15,301,739	11,879,340	27,181,079	27.6
IT Supplies & Equipment	88,552,851	6,739,171	401,184	7,140,356	8.1
Human/Cultural/Social & Education	725,048,351	328,141,381	3,153,868	331,295,249	45.7
Corporate Credit Card	210,580,795	12,334,297	0	12,334,297	5.9
Direct Voucher	254,083,437	17,964,227	0	17,964,227	7.1
Total	6,454,144,303	635,397,671	673,407,889	1,308,805,560	20.3

Source: GOMA

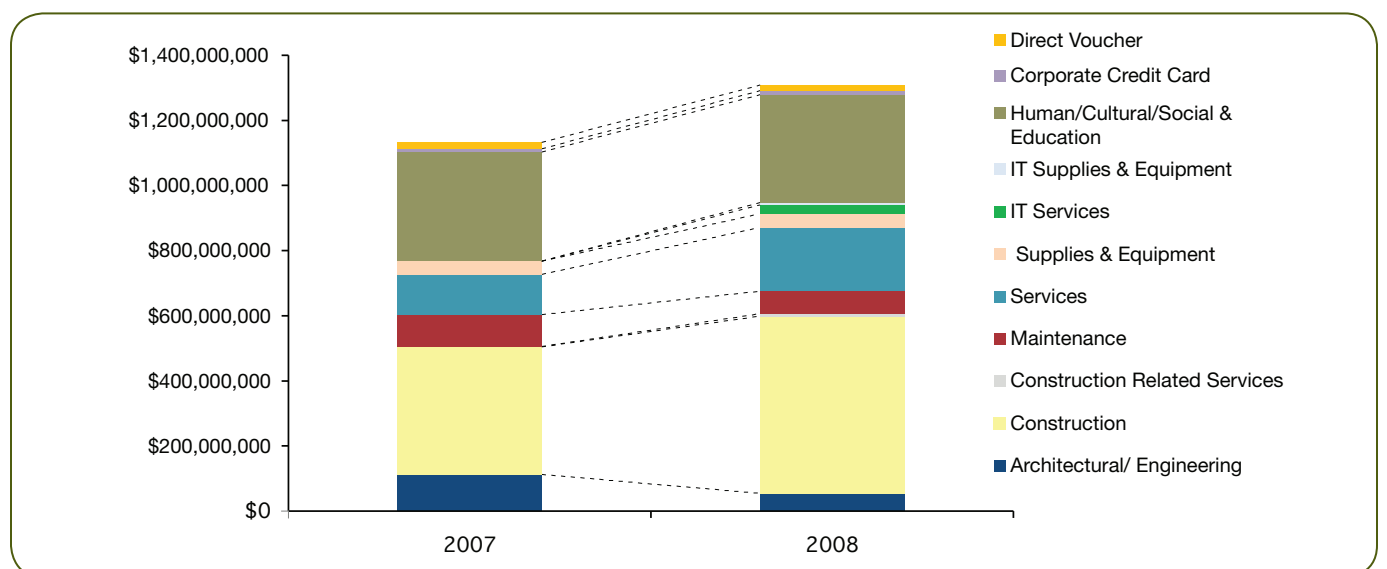
Exhibits 3 and 3a provide comparisons between Fiscal Years 2007 and 2008 by industry/procurement category. For the categories of Construction, Construction Related Services, and Human/Cultural/Social and Education, MBE participation in FY 2008 increased by 1.1%, 5.6%, and 7.9% respectively.

Exhibit 3: Total Value of MBE Awards and the Participation Rate between FY 2007 and FY 2008

Industry/Procurement Category	Value of Total MBE Awards (\$)	Total MBE Participation (%)	Value of Total MBE Awards (\$)	Total MBE Participation (%)
	2007		2008	
Architectural/ Engineering	112,962,927	20.9	54,363,120	20.5
Construction	391,339,821	18.3	544,727,801	19.4
Construction Related Services	1,000,039	12.5	6,454,289	18.1
Maintenance	98,516,170	33.7	69,598,053	22.8
Services	123,268,933	14.4	196,028,929	20.4
Supplies & Equipment	40,723,652	6.0	41,718,161	5.9
IT Services	--	--	27,181,079	27.6
IT Supplies & Equipment	--	--	7,140,356	8.1
Human/Cultural/Social & Education	335,054,288	37.8	331,295,249	45.7
Corporate Credit Card	10,517,813	5.9	12,334,297	5.9
Voucher	18,878,590	20.0	17,964,227	7.1
Total	1,132,262,233	20.0	1,308,805,560	20.3

Source: GOMA, Minority Business Enterprise Annual Report for FY 2007

Exhibit 3a: Total Value of MBE Awards and the Participation Rate between FY 2007 and FY 2008



Source: GOMA, Minority Business Enterprise Annual Report for FY 2007

Sub-Goal Performance

Finding 2: Performance Relative to Sub-Goals Continues to Improve.

Maryland is the first State to establish a sub-goal for African American-owned firms (7%), and Women-owned firms (10%). African American-owned firms and Women-owned firms are moving closer to achieving their sub-goals. As of FY 2008 the percent of total State procurement for these groups increased to 4.1% and 6.2% respectively. (See Exhibit 4)

Exhibit 4: MBE Performance of Sub-Goals, FY 2008

Target Group	Total Value of MBE Awards (\$)	% of Total State Procurement (%)
African-American (7% Sub-Goal)	266,333,768	4.1% (up from 3.6%; FY 07)
Women (10% Sub-Goal)	396,673,808	6.2% (up from 5.6%; FY 07)
Total	663,007,576	10.3% (up from 9.2%; FY 07)

Source: GOMA, Minority Business Enterprise Annual Report for FY 2007

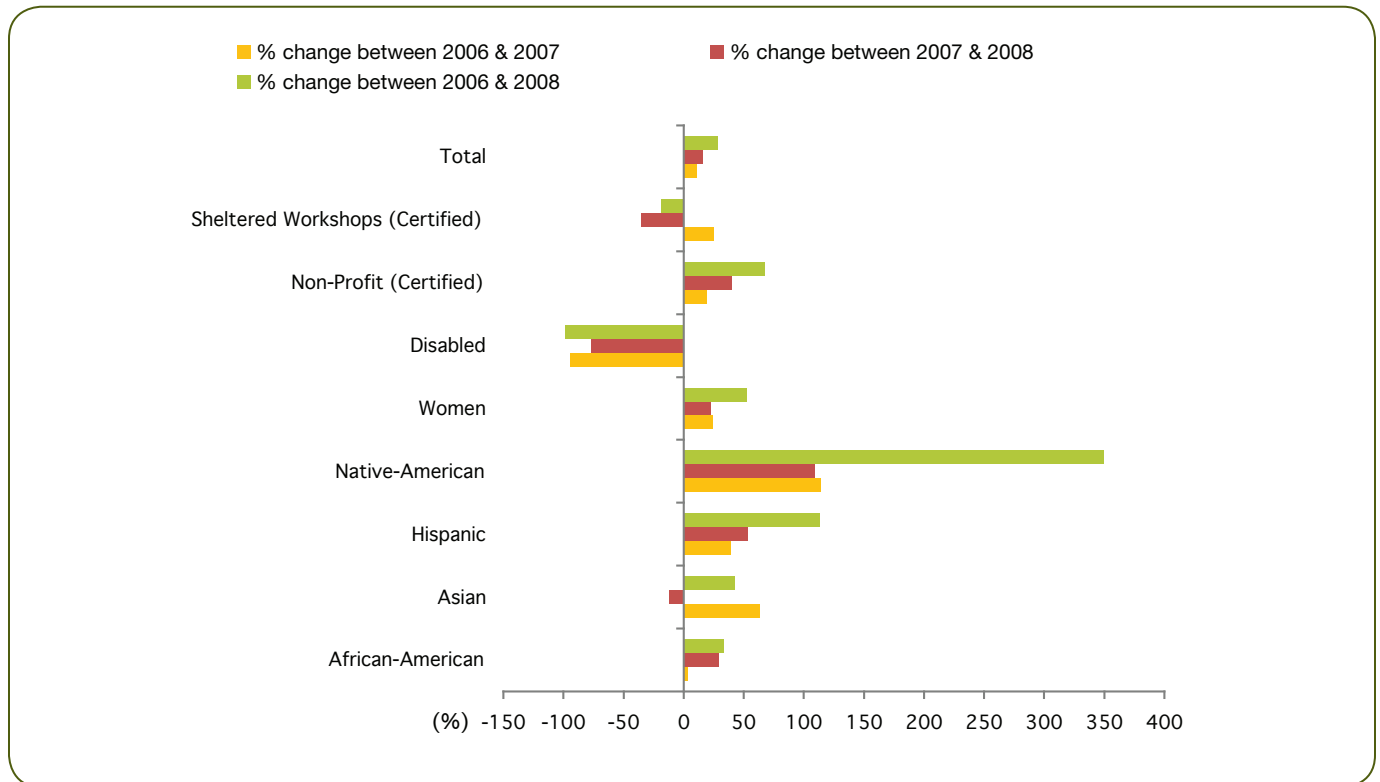
Collectively, Exhibits 5 and 5a stand for the proposition that Maryland's MBE Program is broadly benefiting Marylanders from various backgrounds, including African-Americans, Women, Hispanics and Native-Americans. The value of awards to African-American MBEs surged from \$206.2 million in FY 2007 to \$266.3 million in FY 2008, an increase of 29.2%. Awards to Hispanics expanded 39.1% in FY 2007 and another 53.4% in FY 2008. The value of awards to Women-owned MBEs expanded from \$323 million in FY 2007 to nearly \$400 million one fiscal year later, a 22.8% increase. Awards to Native-Americans doubled in both fiscal years 2007 and 2008. The percentage change over the last two fiscal years is even more significant for these same classifications.

Exhibit 5: The Value of Awards Granted and the Percentage Change in the Amount of Awards by Different Classifications

Classification	FY 2006 (in \$)	FY 2007 (in \$)	FY 2008 (in \$)	% Change Between FY 2006 & FY 2007	% Change Between FY 2007 & FY 2008	% Change Between FY 2006 & FY 2008
African-American	199,182,588	206,206,523	266,333,768	3.5	29.2	33.7
Asian	81,386,274	132,742,960	116,253,861	63.1	-12.4	42.8
Hispanic	45,035,376	62,657,536	96,115,893	39.1	53.4	113.4
Native-American	8,877,743	19,055,663	39,906,457	114.6	109.4	349.5
Women	260,520,974	322,921,247	396,673,808	24.0	22.8	52.3
Disabled	112,291,114	6,432,211	1,491,710	-94.3	-76.8	-98.7
Non-Profit	160,279,151	192,007,334	268,549,985	19.8	39.9	67.6
Sheltered Workshops	152,106,612	190,238,758	123,480,078	25.1	-35.1	-18.8
Total	1,019,679,834	1,132,262,233	1,308,805,560	11.0	15.6	28.4

Sources: Sage Policy Group Inc. Analysis of MBE Procurement Awards Data and GOMA, Minority Business Enterprise Annual Report for FY 2006 and FY 2007

Exhibit 5a: Percentage Change in the Amount of Awards by Classifications



Sources: Sage Policy Group Inc. Analysis of MBE Procurement Awards Data and GOMA, Minority Business Enterprise Annual Report for FY 2006 and FY 2007

Exhibit 6 shows that collectively more than 70% of MBE procurement awards went to African Americans, Women, and Non-profits in FY 2008.

Exhibit 6: Amount and Distribution of Awards by MBE Classification, FY 2008

MBE Classification	Value of MBE Prime Contract Awards (\$)	Value of MBE Subcontract Awards (\$)	Total Value of MBE Awards (\$)	% of Total MBE Procurement
African-American	47,175,344	219,158,424	266,333,768	20.4
Asian	36,508,698	79,745,163	116,253,861	8.9
Hispanic	23,771,344	72,344,549	96,115,893	7.3
Native-American	244,069	39,662,388	39,906,457	3.1
Women	135,815,625	260,858,183	396,673,808	30.3
Disabled	755,050	736,660	1,491,710	0.1
Non-Profit (Certified)	267,711,095	838,890	268,549,985	20.5
Sheltered Workshops (Certified)	123,416,446	63,632	123,480,078	9.4
Total	635,397,671	673,407,889	1,308,805,560	100.00

Source: GOMA

Analysis of MBE Payments

Finding 3: Total payments to MBEs are up again.

Payments to MBEs rose 48.7% in FY 2008 to \$1.1 billion (see Exhibit 7). Approximately 46% of the \$1.1 billion represents payments to African American and Women-owned firms. GOMA has been making concerted efforts in recent fiscal years to monitor payments to MBEs, which contributed to the increase in reported payments to MBEs in FY 2008. In FY 2007, payments to MBEs increased 2.6%.

Exhibit 7: Total MBE Payments for State Procurement Agencies for FY 2007-FY 2008

Fiscal Year	Total MBE Payments for Reporting Procurement Agencies (\$)	% Change from Prior Fiscal Year
FY 2008	1,117,802,274	48.7%
FY 2007	751,844,427	2.6%

Source: GOMA, *Minority Business Enterprise Annual Report for FY 2006 and FY 2007*

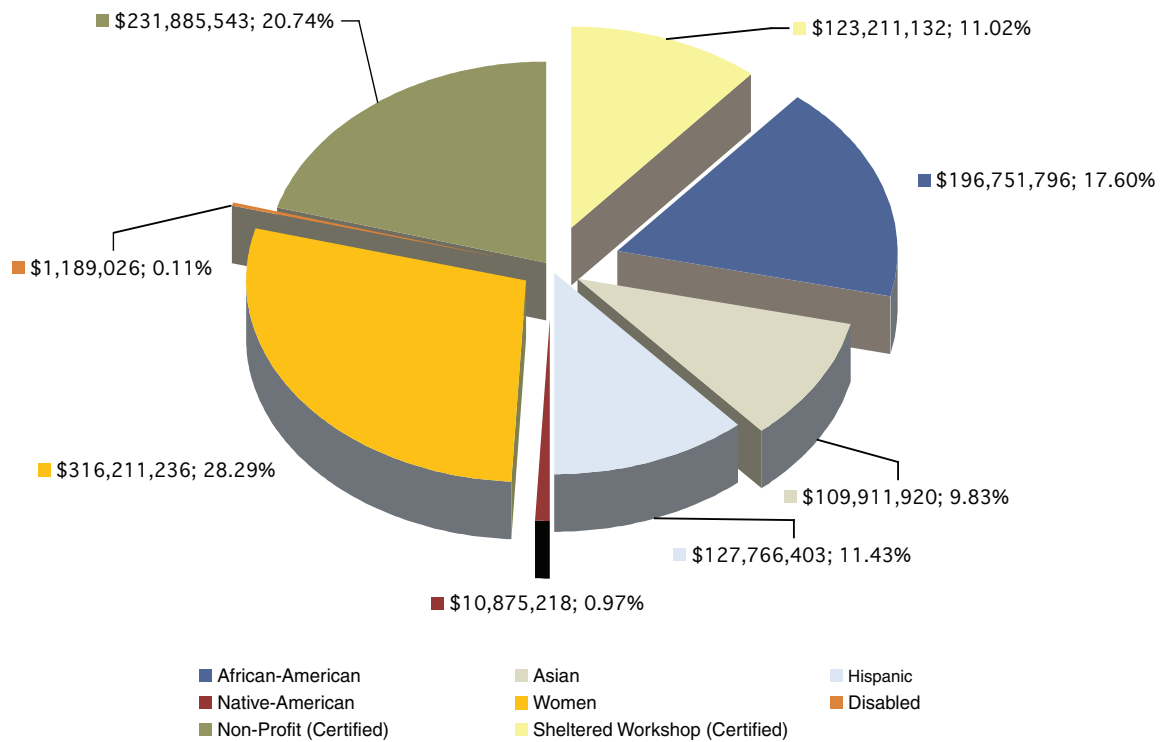
Exhibits 8, 8a and 8b provide detail on payments to MBEs by classification. Exhibits 8 and 8a show that 67.2% of total payments to MBEs went to African American, Hispanic, Asian, and Women-owned firms. Exhibit 8b indicates that payments to prime and subcontractors varied within each classification.

Exhibit 8: Amount and Distribution of Payments by MBE Classification, FY 2008

	Value of MBE Prime Payments (\$)	Value of MBE Subcontract Payments (\$)	Total Value of MBE Payments (\$)	% of Total MBE Payments
African-American	40,752,333.37	155,999,462.46	196,751,795.83	17.60
Asian	72,699,356.97	37,212,563.01	109,911,919.98	9.83
Hispanic	107,481,187.35	20,285,215.45	127,766,402.80	11.43
Native-American	236,468.96	10,638,748.81	10,875,217.77	0.97
Women	181,589,972.68	134,621,262.82	316,211,235.50	28.29
Disabled	673,080.68	515,945.69	1,189,026.37	0.11
Non-Profit (Certified)	230,549,864.35	1,335,678.98	231,885,543.33	20.74
Sheltered Workshop (Certified)	123,211,132.16	0	123,211,132.16	11.02
Total	757,193,396.52	360,608,877.22	1,117,802,273.74	100.00

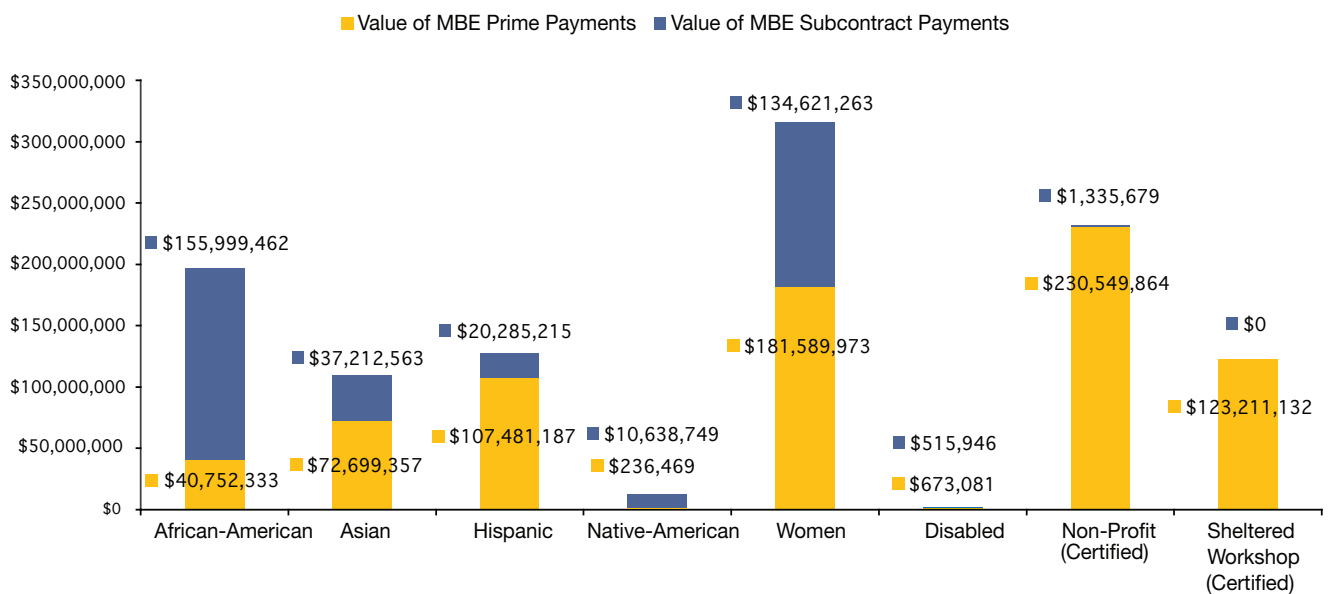
Source: GOMA

Exhibit 8a: Distribution of Payments by MBE Classification, FY 2008



Source: GOMA

Exhibit 8b: Prime vs. Subcontract Payments by MBE Classification, FY 2008



Source: GOMA

Exhibit 9 shows that 31.1% of MBE payments made were on contracts procured by the Department of Health & Mental Hygiene. The Department of Transportation – State Highway followed closely at 28.96%.

Exhibit 9: The Amount and Distribution of MBE Payments by State Procurement Agency, FY 2008

Name of State Procurement Agency	Total MBE Payment by the Agency	% of Total MBE Payment
Aging	\$48,340.50	0.00%
Agriculture	\$246,523.00	0.02%
Archives	\$671,323.17	0.06%
Assessments & Taxation	\$476,436.16	0.04%
Attorney General's Office	\$158,369.49	0.01%
Automobile Insurance Fund	\$193,743.59	0.02%
Baltimore City Community College	\$60,000.00	0.01%
Bowie State University	\$3,086,676.24	0.28%
Budget & Management	\$22,978,956.82	2.06%
Business & Economic Development	\$2,299,931.67	0.21%
Comptroller	\$3,943,172.00	0.35%
Coppin State University	\$1,547,471.53	0.14%
Deaf, School for the	\$332,559.59	0.03%
Education	\$6,374,834.45	0.57%
Environment	\$1,080,399.65	0.10%
Environmental Service	\$16,098,451.00	1.44%
Executive Department	\$634,324.56	0.06%
Frostburg State University	\$446,170.85	0.04%
General Services	\$6,893,440.13	0.62%
Health & Mental Hygiene	\$348,097,710.79	31.14%
Housing & Community Development	\$783,630.00	0.07%
Human Relations Commission	\$26,132.57	0.00%
Human Resources	\$16,582,778.00	1.48%
Insurance Administration	\$241,575.08	0.02%
Juvenile Services	\$9,298,226.93	0.83%
Labor, Licensing & Regulation	\$64,156.59	0.01%
Lottery	\$8,337.50	0.00%
Morgan State University	\$8,041,969.00	0.72%
Natural Resources	\$3,724,636.62	0.33%

**Exhibit 9: The Amount and Distribution of MBE Payments by State Procurement Agency, FY 2008
(continued)**

Name of State Procurement Agency	Total MBE Payment by the Agency	% of Total MBE Payment
Planning	\$377,737.17	0.03%
Prosecutor's Office	\$14,254.00	0.00%
Public Defender's Office	\$407,750.79	0.04%
Public Safety & Corrections	\$64,095,474.28	5.73%
Public Television	\$235,693.78	0.02%
Public Works	\$21,731.46	0.00%
Retirement	\$351,829.18	0.03%
Saint Mary's College	\$1,222,015.40	0.11%
Salisbury State University	\$1,604,503.89	0.14%
Stadium Authority	\$11,699,864.91	1.05%
State Police	\$1,166,582.83	0.10%
Supplemental Retirement	\$1,254,531.50	0.11%
Tax Court	\$8,348.00	0.00%
Towson University	\$7,215,076.00	0.65%
Transportation - Aviation	\$36,605,672.60	3.27%
Transportation - Motor Vehicle	\$18,999,567.71	1.70%
Transportation - Office of the Secretary	\$13,541,617.69	1.21%
Transportation - Port	\$18,051,997.27	1.61%
Transportation - State Highway	\$323,727,457.45	28.96%
Transportation - Transit	\$2,125,371.78	0.19%
Transportation - Transportation Authority	\$71,443,682.83	6.39%
Treasurer's Office	\$195,203.20	0.02%
University of Baltimore	\$537,446.59	0.05%
University of MD, Baltimore	\$38,012,532.03	3.40%
University of MD, Baltimore County	\$3,520,126.91	0.31%
University of MD, College Park	\$41,695,330.18	3.73%
University of MD, Eastern Shore	\$706,125.00	0.06%
University of MD, University College	\$4,413,521.26	0.39%
Veterans Affairs	\$16,340.57	0.00%
Workers' Compensation Commission	\$94,610.00	0.01%

Source: GOMA

Reaching the State's MBE Goal

Finding 4: The State is moving closer to reaching its 25% goal of total contract awards granted to MBEs.

The 25% goal set by Section 14-302 of the State Finance Procurement Article continues to prove elusive, but it is important to put this goal and the past fiscal year into broader context. A portion of State procurement spending effectively offers no potential for MBE participation. In other words, there are certain contracts that are non-segmentable or do not lend themselves to MBE participation. A few examples of these types of contracts include purchases from large utilities (sole source) and specialized equipment (cooperative purchase agreements). Exhibit 10 shows that nearly \$590 million in State of Maryland contracts fell into this category in FY 2008. These contracts are tied to maintenance, service and supply contracts issued through the State's Procurement Control Agencies: Maryland Department of Transportation, Department of Budget and Management, Department of General Services, and University of Maryland System. Once these contracts are excluded from the universe of State procurement, the State's MBE share rises to 22.3%.

Exhibit 10: Summary of Contract Awards Not Conducive to MBE Participation

Contracts Not Conducive to MBE Participation (including subcontract amount) (\$):	589,898,504
Net Awards (Total Procurement Awards Less Contracts Not Conducive to MBE Participation (\$)):	5,864,245,799
Total MBE Procurement Awards	1,308,805,560
MBE Participation in Net Awards (%):	22.3

Source: GOMA

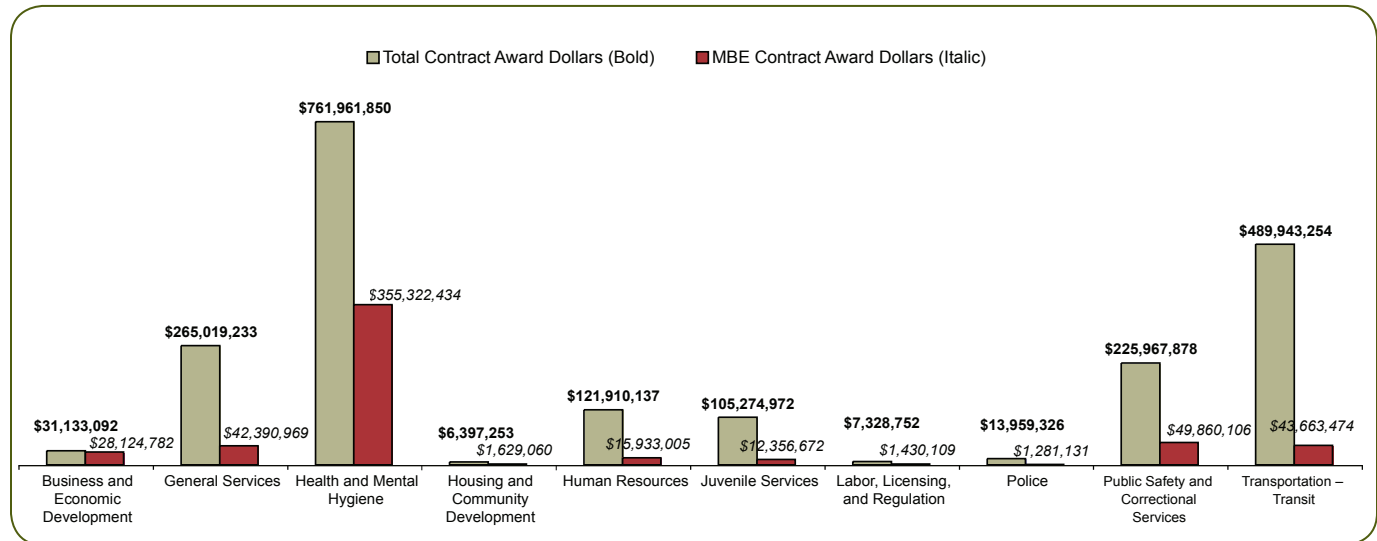
The State achieved 27.2% contract participation for MBEs from the 10 StateStat reporting procurement agencies, collectively. Exhibits 11 and 11a show their participation levels.

Exhibit 11: The Amount and Distribution of Contract Awards for 10 StateStat Procurement Agencies, FY 2008

Name of StateStat Procurement Agency	Total Contract Award Dollars	MBE Contract Award Dollars	MBE %
Business and Economic Development	\$31,133,092	\$28,124,782	90.3%
General Services	\$265,019,233	\$42,390,969	16.0%
Health and Mental Hygiene	\$761,961,850	\$355,322,434	46.6%
Housing and Community Development	\$6,397,253	\$1,629,060	25.5%
Human Resources	\$121,910,137	\$15,933,005	13.0%
Juvenile Services	\$105,274,972	\$12,356,672	11.7%
Labor, Licensing, and Regulation	\$7,328,752	\$1,430,109	19.5%
Police	\$13,959,326	\$1,281,131	9.2%
Public Safety and Correctional Services	\$225,967,878	\$49,860,106	22.1%
Transportation -Transit	\$489,943,254	\$43,663,474	8.9%
Total	\$2,028,895,747	\$551,991,742	27.2%

Source: GOMA

Exhibit 11a: The Amount and Distribution of Contract Awards for 10 StateStat Procurement Agencies, FY 2008



Source: GOMA

Exhibit 12 shows data regarding MBE participation for each of Maryland's State Cabinet procurement agencies. Of these agencies, the Department of Business and Economic Development, Department of Health and Mental Hygiene, and Department of Transportation - Motor Vehicle Administration reported the highest percentage of MBE participation; 90.3%, 46.6% and 30.5% respectively.

Exhibit 12: The Amount and Distribution of Contract Awards for State Cabinet Procurement Agencies, FY 2008

Name of Cabinet Procurement Agency	Total Contract Award Dollars	MBE Contract Award Dollars	MBE %
Aging	\$3,492,518	\$518,843	14.86%
Agriculture	\$6,414,732	\$246,523	3.84%
Budget & Management	\$100,027,565	\$12,406,912	12.40%
Business & Economic Development	\$31,133,092	\$28,124,782	90.34%
Education	\$54,836,534	\$13,452,734	24.53%
Environment	\$7,608,359	\$1,961,093	25.78%
Executive Department	\$2,621,217	\$479,394	18.29%
General Services	\$265,019,233	\$42,390,969	16.00%
Health & Mental Hygiene	\$761,961,850	\$355,322,434	46.63%
Housing & Community Development	\$6,397,253	\$1,629,060	25.46%
Human Resources	\$121,910,137	\$15,933,005	13.07%
Juvenile Services	\$105,274,972	\$12,356,672	11.74%
Labor, Licensing & Regulation	\$7,328,752	\$1,430,109	19.51%
Natural Resources	\$13,159,528	\$2,092,005	15.90%
Planning	\$1,140,660	\$130,289	11.42%

Exhibit 12: The Amount and Distribution of Contract Awards for State Cabinet Procurement Agencies, FY 2008 (continued)

Name of Cabinet Procurement Agency	Total Contract Award Dollars	MBE Contract Award Dollars	MBE %
Police	\$13,959,326	\$1,281,131	9.18%
Public Safety & Corrections	\$225,967,878	\$49,860,106	22.07%
Transportation - Aviation	\$134,377,102	\$23,079,531	17.18%
Transportation - Motor Vehicle	\$73,990,786	\$22,555,948	30.48%
Transportation - Office of the Secretary	\$14,433,216	\$4,095,595	28.38%
Transportation - Port	\$110,942,539	\$10,040,048	9.05%
Transportation - State Highway	\$1,323,802,615	\$264,305,572	19.97%
Transportation - Transit	\$489,943,254	\$43,663,474	8.91%
Transportation - Transportation Authority	\$313,742,453	\$47,104,163	15.01%
Veterans Affairs	\$46,917,987	\$16,341	0.03%
Cabinet Procurement Agencies Total	\$4,236,403,558	\$954,476,733	22.53%

Source: GOMA

Exhibit 13 shows the State Procurement Agencies' Performance by MBE Contract Awards. Of the more than 50 State procurement agencies subject to MBE participation, 17 were at or above the 25% mandated goal for FY 2008. Another 19 agencies fell between 15% and 25%.

Exhibit 13: The Amount and Distribution of Contract Awards for State Procurement Agencies, FY 2008

Name of State Procurement Agency	Total Contract Award Dollars	MBE Contract Award Dollars	MBE %
Aging	\$3,492,518	\$518,843	14.9%
Agriculture	\$6,414,732	\$246,523	3.8%
Archives	\$1,732,021	\$521,538	30.1%
Assessments & Taxation	\$1,466,477	\$436,655	29.8%
Attorney General's Office	\$603,499	\$158,370	26.2%
Automobile Insurance Fund	\$495,508	\$193,743	39.1%
Baltimore City Community College	\$12,067,228	\$1,612,289	13.4%
Bowie State University	\$13,016,794	\$3,105,027	23.9%
Budget & Management	\$100,027,565	\$12,406,912	12.4%
Business & Economic Development	\$31,133,092	\$28,124,782	90.3%
Comptroller	\$12,013,016	\$4,136,885	34.4%
Coppin State University	\$7,644,211	\$1,469,100	19.2%
Deaf, School of	\$2,092,073	\$53,611	2.6%
Education	\$54,836,534	\$13,452,734	24.5%
Elections	\$12,910,654	\$3,588,977	27.8%

**Exhibit 13: The Amount and Distribution of Contract Awards for State Procurement Agencies, FY 2008
(continued)**

Name of State Procurement Agency	Total Contract Award Dollars	MBE Contract Award Dollars	MBE %
Environment	\$7,608,359	\$1,961,093	25.8%
Environmental Services	\$56,219,204	\$8,284,198	14.7%
Executive Department	\$2,621,217	\$479,394	18.3%
Frostburg State University	\$16,760,705	\$607,200	3.6%
General Services	\$265,019,233	\$42,390,969	16.0%
Health & Mental Hygiene	\$761,961,850	\$355,322,434	46.6%
Higher Education Commission	\$3,483,960	\$528,120	15.2%
Housing & Community Development	\$6,397,253	\$1,629,060	25.5%
Human Relations Commission	\$39,481	\$2,311	5.9%
Human Resources	\$121,910,137	\$15,933,005	13.1%
Insurance Administration	\$4,341,601	\$219,501	5.1%
Juvenile Services	\$105,274,972	\$12,356,672	11.7%
Labor, Licensing & Regulation	\$7,328,752	\$1,430,109	19.5%
Lottery	\$74,566,285	\$10,239,092	13.7%
Military	\$7,509,043	\$437,183	5.8%
Morgan State University	\$33,017,140	\$7,275,774	22.0%
Natural Resources	\$13,159,528	\$2,092,005	15.9%
Peoples Counsel	\$501,200	\$38,279	7.6%
Planning	\$1,140,660	\$130,289	11.4%
Police	\$13,959,326	\$1,281,131	9.2%
Prosecutors Office	\$22,721	\$7,127	31.4%
Public Defenders Office	\$4,244,645	\$407,751	9.6%
Public Safety & Corrections	\$225,967,878	\$49,860,106	22.1%
Public School Construction	\$930,523,079	\$116,767,553	12.6%
Public Television	\$13,504,189	\$606,536	4.5%
Public Works	\$63,763	\$23,874	37.4%
Retirement	\$2,580,748	\$255,387	9.9%
Salisbury State University	\$16,348,731	\$1,667,558	10.2%
St. Mary's College	\$25,737,029	\$1,222,106	4.8%
Stadium Authority	\$142,862,275	\$52,846,828	37.0%
Supplemental Retirement	\$28,047,910	\$1,355,847	4.8%
Tax Court	\$23,801	\$8,348	35.1%
Towson University	\$34,603,851	\$7,215,076	20.9%
Transportation - Aviation	\$134,377,102	\$23,079,531	17.2%
Transportation - Motor Vehicle	\$73,990,786	\$22,555,948	30.5%
Transportation - Office of the Secretary	\$14,433,216	\$4,095,595	28.4%

Exhibit 13: The Amount and Distribution of Contract Awards for State Procurement Agencies, FY 2008
(continued)

Name of State Procurement Agency	Total Contract Award Dollars	MBE Contract Award Dollars	MBE %
Transportation - Port	\$110,942,539	\$10,040,048	9.1%
Transportation - State Highway	\$1,323,802,615	\$264,305,572	20.0%
Transportation - Transit	\$489,943,254	\$43,663,474	8.9%
Transportation - Transportation Authority	\$313,742,453	\$47,104,163	15.0%
Treasurer's Office	\$1,591,438	\$195,203	12.3%
University of Baltimore	\$15,115,634	\$1,312,971	8.7%
University of MD, Baltimore	\$310,103,305	\$45,897,310	14.8%
University of MD, Baltimore County	\$32,563,726	\$4,676,558	14.4%
University of MD, College Park	\$360,005,744	\$72,225,581	20.1%
University of MD, Eastern Shore	\$13,350,382	\$706,125	5.3%
University of MD, University College	\$25,429,428	\$3,937,561	15.5%
Veteran Affairs	\$46,917,987	\$16,341	0.03%
Workers Compensation	\$538,247	\$85,672	15.9%
State of Maryland Total	\$6,454,144,304	\$1,308,805,558	20.3%

Source: GOMA

Minority Firms are Participating Beyond the MBE Program

Finding 5: MBE firms are moving beyond the boundaries of the State's MBE program.

Maryland has long been a leader in minority business programs and has set in motion a culture of inclusion that has opened doors in other areas of State government. There is an expanding population of minority and women-owned firms receiving business from the State who were formerly certified as MBEs. These are MBE non-renewals and MBE graduates. The non-renewals are a group of firms who have decided not to renew their MBE certifications. The graduates include those firms that have developed to such an extent that they no longer qualify for MBE certification. Graduated firms represent success stories for the MBE Program, helping to change the perception of the Program from one that is socioeconomically oriented to one that promotes broader economic development.

Payments made to non-renewals and graduates are not included in the MBE procurement amounts detailed above. However, payments made by State procurement agencies to formerly certified MBE firms are still an important consideration in terms of quantifying the State's volume of support for minority-owned firms. As an example, the Maryland Department of Transportation reports that it made payments of approximately \$7.2 million to MBE non-renewals and \$3.4 million to MBE graduated firms in FY 2008. The State's Financial Management Information System (FMIS), which handles the majority of State agency financial transactions for most of the State procurement agencies, has reported that total payments made to the two groups in FY 2008 amounts to approximately \$24 million.

Advocacy and Outreach Efforts

During FY 2008, GOMA continued to inform, educate and provide consultation on activities and programs designed to enhance the potential growth and development of small, minority and women-owned businesses. As part of its statewide marketing effort, GOMA disseminated information on available resources, upcoming contracting opportunities, new issues, and legislation through various business events, workshops, seminars, and one-on-one meetings. Activities included, but were not limited to the following:

Participation as a Co-Sponsor and/or Co-Partner

- Presidential Power Breakfast (featuring Lt. Governor Brown) / Maryland-District of Columbia Minority Supplier Development Council
- MBE Roundtable Workshop / Harford County Small Business Development Center & Maryland Procurement Technical Assistance Program
- Maryland-Microsoft Minority Business Information Session / Comptroller's Office
- 6th Annual Maryland Hispanic Business Conference
- Reverse Trade Show / Maryland Public Purchasing Association
- 16th Annual Baltimore Washington Area Government Procurement Fair / Baltimore-Washington Corridor Chamber of Commerce
- 2nd Annual Alliance Small Business Procurement Fair / ShoWorks, Inc.
- Top 100 MBE Awards Program / University of Maryland University College and Maryland Chamber of Commerce
- Top 50 MBE Awards Program / *Baltimore Business Journal*
- Small and Minority Business Opportunities Outreach / Tompkins-Turner Construction
- Improving Hospitals' Participation with Women & Minority-Owned Businesses / Maryland Hospital Association
- Business to Business "Collaborations" Workshop / Prince George's Chamber of Commerce
- Business to Business "Tax Pitfalls" Workshop / Prince George's Chamber of Commerce
- MBE Participation in Public School Construction Projects Workshop / Maryland Public School Construction Program
- "Meet the State" Procurement Outreach / Prince George's Small Business Initiative

Participation as a Speaker, Presenter or Panelist

- Business Workshop Series / Women Entrepreneurs of Baltimore
- MBE Program Briefing / Anne Arundel County Bureau of Purchasing and Merge Development Systems
- MBE Procurement Opportunities Workshop / St. Mary's College
- 2007 Mid-Atlantic Entrepreneurship Conference / Anne Arundel County Community College's Entrepreneurial Studies Institute
- Issues Affecting Minority Businesses / Leadership Maryland
- 3rd Annual SMART PROC Conference / SMART-Strengthening the Mid-Atlantic Region for Tomorrow
- Harford Community College Freshman Mentoring Group
- Women in Construction Seminar / Associated Builders and Contractors, Chesapeake, Baltimore and DC Chapter of National Association of Minority Contractors
- Annual Legislative Conference / Legislative Black Caucus of Maryland
- Maryland Public Agencies Panel / Society for Marketing Professional Services - Chesapeake Chapter
- Associated Builders & Contractors – Baltimore Metropolitan Chapter's General Contractors' Council Monthly Meeting
- CEO Leadership Breakfast Series / Maryland Works, Inc.
- Minority Business Contracting Fair / University of Maryland BioPark
- Annual Minority Business Enterprise Networking Breakfast / Maryland-District of Columbia Minority Supplier Development Council
- MBE Program Briefing / Legislative Black Caucus of Maryland

Advocacy and Outreach Efforts (Continued)

- MBE Program Briefing / Councilwoman Alesia Parson-McBean, Hagerstown City Council
 - MBE Program Overview / Brothers United Who Dare To Care
 - 2008 Legislative Dinner / Prince George's Chamber of Commerce
 - State IT Procurement Summit / High Tech Council of Maryland
 - Certification Requirements & Guidelines for the Business Community Workshop / Prince George's Chamber of Commerce
 - MBE Program Update / Women Presidents' Organization – Maryland Chapter
 - Minority Business Exchange Series / Radio One
 - 2nd Annual Awards Ceremony / Greater Baltimore Black Chamber of Commerce
 - 4th Annual Best Practices Networking and Awards Ceremony / Maryland Minority Contractors Association and Associated Builders & Contractors, Inc.
 - Small Business Innovation Research (SBIR) Conference: From Awareness to Awards and Commercialization / Maryland Technology Development Corporation
 - BRAC Overview and Update – Baltimore City Chamber of Commerce
 - 2nd Technology Forum “Women: Leading the Future of Technology” / Maryland Women in Technology & Tech Council of Maryland
 - Procurement Day Outreach Fair / Prince George's Small Business Initiative
 - 6th Annual MBE/WBE Networking for Success Awards Breakfast / Baltimore County Minority and Women Business Enterprise Commission and Baltimore Commission for Women
 - State Contracting Roundtable / Maryland Small Business Development Center (Harford County)
 - 16th Annual Procurement Conference / U.S. Office of Small and Disadvantaged Business Utilization
 - University Procurement Fair / Bowie State University
 - Baltimore Hispanic Chamber's Cinco De Mayo
 - 2008 Maryland Congressional Procurement Conference & Expo / Montgomery County
 - 2008 Hispanic Legislative Reception / Maryland Hispanic Chamber, Baltimore Hispanic Chamber and Hispanic Chamber of Montgomery County
 - 1st Annual State of Black Baltimore Conference & Gala / Greater Baltimore Urban League
 - MBE Program Briefing / Maryland Independent College and University Association
 - “State of the State” Luncheon (featuring Governor O'Malley) / Prince George's Chamber of Commerce
 - BRAC Breakfast Panel / *Baltimore Business Journal*
 - Annual Economic Development Conference / Maryland Economic Development Association
 - Maryland Military Installation Council Quarterly Meetings
 - Carroll H. Hynson, Sr. Annual Awards Program / Black Chamber of Commerce of Anne Arundel County
 - 5th Annual Spring Breakfast & 2008 Awards Program / Maryland Washington Minority Contractors Association
 - Minority Procurement Conference & Business Expo / Hispanic Chamber of Montgomery County
 - Minority Business Enterprise Panel / *Baltimore Business Journal*
- ### Participation as an Attendee
- 2007 Annual Maryland Association of Counties' Summer Conference
 - Showcase 2007 - Excellence in Business Awards Ceremony / Prince George's Chamber of Commerce
 - 26th Annual Leadership Awards / Maryland-District of Columbia Minority Supplier Development Council
 - Early Bird Breakfast with Champions / Maryland Transit Administration's Office of Fair Practices
 - 33rd Annual Dr. Martin Luther King, Jr. Memorial Awards Breakfast / Y of Central Maryland
 - Annual Minority Business Summit / Visionary Marketing Group
 - 2008 Economic Outlook Conference / Regional Economic Studies Institute (Towson University)
 - *BMORENews*' HARAMBEE Dinner Club (featuring Lt. Governor Brown)
 - Small Business Initiative's 3rd Annual Awards Celebration / Prince George's Economic Development Corporation

- 7th Annual Procurement and Outreach Fair / City of Baltimore Mayor's Office of Minority and Women-owned Business Development
- Maryland Municipal League 2008 Convention
- 2008 Commitment to Diversity Awards Gala / National Association of Minority Contractors

The strength of GOMA's relationships with public, private, and business development organizations enhanced outreach efforts that resulted in relationships and/or partnerships with various groups during FY 2008 including, but not limited to the following:

Commissions

- Governor's Commission on Asian Pacific American Affairs
- Governor's Commission on Hispanic Affairs

State Government

- Board of Public Works
- eMaryland Marketplace Users Group
- MBE Liaison Officers
- Senior Procurement Advisory Group
- Maryland General Assembly
- Legislative Black Caucus of Maryland
- Procurement User Group/Advanced Purchasing Inventory Control System Committee
- Disparity Study Workgroup
- Small Business Reserve Size Standards Workgroup
- State Procurement Agencies

Chambers of Commerce

- Baltimore City Chamber of Commerce
- Baltimore Hispanic Chamber of Commerce
- Baltimore/Washington Corridor Chamber of Commerce
- Black Chamber of Commerce of Anne Arundel County
- Greater Baltimore Black Chamber of Commerce
- Hispanic Chamber of Montgomery County
- Maryland Chamber of Commerce
- Maryland Hispanic Chamber of Commerce
- Prince George's Chamber of Commerce

Economic Development

- Baltimore County Department of Economic Development
- Greater Baltimore Committee (GBC)
- Harford County Office of Economic Development
- Maryland Economic Development Association (MEDA)
- Maryland Technology Development Corporation (TEDCO)
- Prince George's County Economic Development Corporation

Small and Minority Business Resource Organizations

- Baltimore Small Business Resource Center
- Maryland-District of Columbia Minority Supplier Development Council (MSDC)
- Maryland Procurement Technical Assistance Program (PTAP)
- Maryland Small Business Development Center (SBDC)
- Maryland Works, Inc.
- Meridian Management Group (MMG)
- Tri-County Council of Southern Maryland's Minority Business Opportunities Task Force
- U.S. Hispanic Youth Entrepreneur Education (USHYEE)
- U.S. Office of Small and Disadvantaged Business Utilization (OSDBU)
- U.S. Small Business Administration (SBA)

Associations

- Associated Builders and Contractors, Inc. – Baltimore Chapter (ABC)
- Greater Baltimore Urban League
- Hispanic Business Foundation of Maryland
- Maryland Association of Counties (MACO)
- Maryland Minority Contractors' Association (MMCA)
- Maryland Municipal League (MML)
- Maryland Public Purchasing Association (MPPA)
- Maryland/Washington Minority Contractors' Association (MWMCA)
- National Association of Minority Contractors (NAMC)

Advocacy and Outreach Efforts (Continued)

- National Association of Women Business Owners (NAWBO) – Baltimore Region
- Presidents Roundtable – Baltimore

Local Government

- Anne Arundel County Central Services
- Baltimore county
- City of Annapolis
- City of Baltimore Mayor's Office of Minority and Women-Owned Business Development
- Prince George's County Office of Central Services
- Prince George's County Economic Development Corporation

Hispanic Business Training Program - EMPRESA

In an effort to address the growing needs of Maryland's Hispanic business community, the **EMPRESA** Training and Technical Assistance Program was developed by GOMA, in collaboration with the Hispanic/Latino Business Community and Chambers. The acronym "**EMPRESA**" is the Spanish term for a firm or business – Enterprise Minority Procurement Resource Educational Series Assistance. It is a tailored program designed specifically for Spanish speaking entrepreneurs who want to start, develop, and grow a business.

The Program offers a series of training workshops that are presented entirely in Spanish, along with course curriculum and related materials. Participants learn how to do business with the State of Maryland, and how to become certified as a Maryland minority business enterprise.

State Agency Support

GOMA continues to advocate that State procurement agencies regularly host and/or co-host targeted outreach programs that include available contracting opportunities within their respective agencies for small, minority and women-owned firms.

Private Sector Initiative

To further promote and increase inclusion of small,

minority and women-owned business, GOMA has extended its advocacy and outreach efforts to private sector companies and organizations. GOMA has been an active participant in new minority business initiatives being developed by Maryland Hospital Association, and the Maryland Independent College and University Association (MICUA).

Communications

- ***U.S. Senate Committee on Small Business and Entrepreneurship***
GOMA submitted written testimony and participated in the Field Hearing on "*Access to Federal Contracts: How to Level the Playing Field*", hosted by U.S. Senator Benjamin Cardin, at Bowie State University.
- ***Maryland House Subcommittee on Government Operations – Legislative Briefing***
GOMA provided an overview of the MBE program to members of the Subcommittee which is chaired by Maryland State Delegate Dan Morhaim.
- ***Subcommittee on Government Management, Organization & Procurement of the U.S. House Committee on Oversight & Government Reform***
GOMA testified on "*Military Base Realignment: Contracting Opportunities for Impacted Communities*" before members of the Subcommittee on Capitol Hill.
- ***MBE Connections Newsletter***
GOMA's electronic newsletter was distributed to the small, women, and minority business community and provided information on contracting opportunities, issues, legislation, and the status of continuing initiatives.
- ***Media Requests***
GOMA participated in numerous interviews with various publications regarding MBE issues and concerns.

Interagency Activities

- ***Advanced Purchasing and Inventory Control System (ADPICS) Committee***
ADPICS (Advanced Purchasing and Inventory Control System) is the purchasing component of the State's Financial Management Information System (FMIS) and the ADPICS Committee meets bi-monthly. GOMA worked with ADPICS representatives to more effectively integrate the MBE reporting format with FMIS and to use that information to validate agency reported MBE participation.
- ***eMaryland Marketplace User Group***
eMaryland Marketplace is the internet-based procurement portal for State contracts. Monthly user group meetings are held with Agency Buyers and Procurement Officers to provide technical assistance for better use of eMaryland Marketplace and to receive suggested improvements to the system. GOMA was an active participant.
- ***Maryland Department of Transportation (MDOT) Minority Business Enterprise Advisory Committee (MBEAC)***
State MBE certification is carried out under both Federal and State Regulatory provisions. The federal program is the Disadvantaged Business Program (DBE) and the State of Maryland Program is the Minority Business Enterprise (MBE) Program. The MBEAC is made up of 13 public and private sector individuals and representatives of trade associations that meet bi-weekly and make recommendations to the Chairperson for final action. MBEAC is a vehicle for ensuring the integrity and consistency of Maryland's MBE certification process. GOMA's assigned designee was an active member.
- ***Procurement Advisory Council (PAC)***
The Procurement Advisory Council consults with the Board of Public Works on procurement issues and recommends improvements. GOMA's Special Secretary participated as a voting member of PAC.
- ***Procurement User Group (PUG)***
Consisting of, but not limited to, Agency Procurement Officers, Buyers, Fiscal Administrators, and Information Technology Officers, PUG meetings are held bi-monthly to discuss concerns with ADPICS and recommend solutions. GOMA participated in PUG meetings and recommended changes that would assist agency staff with MBE reporting requirements.
- ***Senior Procurement Advisory Group (SPAG)***
This statewide group of senior procurement officials from each of the major State procurement agencies is organized by the Senior Procurement Officer of the Department of Budget and Management and meets bi-monthly to discuss procurement issues. GOMA maintained active membership on this committee and advised SPAG on current MBE issues.
- ***Monitoring and Compliance***
GOMA continues to make significant strides regarding MBE monitoring and compliance. Some of the activities included:
 - Assisted MBEs as well as State procurement agencies in resolving contract disputes;
 - Conducted MBE Liaison trainings and Small Business Reserve (SBR) Program training for Procurement Officers;
 - Conducted StateStat training;
 - Conducted FMIS (Financial Management Information System) training for MBE reporting;
 - Conducted mid-year review of MBE performance for Cabinet procurement agencies; and,
 - Provided one-on-one consultations with agency MBE and Procurement officers to provide guidance with MBE program requirements, StateStat MBE reporting, and MBE annual reporting.

Inclusion in Maryland Beyond the MBE Program

As the advocate for the more than 450,000 small, women, and minority-owned firms in Maryland, GOMA is committed to creating a culture within State government that supports doing business with diverse firms. Increasing inclusion opportunities and supporting the development of small, minority and women-owned businesses is a major priority for the O'Malley-Brown Administration -- whether through the Maryland Microsoft Partnership or opportunities associated with Maryland's Base Realignment and Closure (BRAC) activity. Below are a few examples of initiatives that seek to provide business opportunities beyond the MBE Program.

BRAC Small and Minority Business Effort

To assist in addressing the many challenges facing Maryland's small and minority businesses in the coming years, GOMA developed a Plan for MBE Inclusion in the Maryland BRAC Action Plan that includes initiatives to ensure that small and minority businesses have access to State and federal BRAC procurement activity. GOMA and its collaborative partners (Maryland Department of Business & Economic Development's Division of Small Business, Maryland Small Business Development Center Network, Maryland Small Business Development Financing Authority / Meridian Management Group) are working to extend the economic benefits of BRAC by:

- Identifying BRAC opportunities available for small and minority businesses;
- Ensuring small and minority business access to available technical support resources; and
- Coordinating actions with other programs/ stakeholder groups who can assist with outreach and resource support.

Initiatives currently being implemented include:

- **BRAC Small and Minority Business Advisory Board**

A 34-member Advisory Board was created and functions as a working group to assist in the identification and dissemination of information;

strengthen MBEs' communication with the Department of Defense (DoD), Defense Information Systems Agency (DISA) and BRAC affected military installations; and create business partnerships through mentoring to increase successful contract awards with the State of Maryland and federal agencies.

- **BRAC Small and Minority Business Opportunities Study**

GOMA, in partnership with the Maryland Department of Business and Economic Development, commissioned a study aimed at identifying federal procurement opportunities; and providing a pathway for access. Towson University (RESI), Maryland Small Business Development Center Network, and Bowie State University are conducting the study.

- **Website Expansion**

Collaborated with stakeholders to identify options for expanding GOMA's existing website to include BRAC information and opportunities.

- **Outreach**

Provided informational BRAC presentations to area MBE Groups; briefings for state/local officials; and Congressional hearings on BRAC MBE issues. GOMA will begin hosting workshops on teaming and joint venture partnerships during FY 2009.

The Maryland Microsoft Partnership

As part of its effort to support small, women and minority-owned firms, GOMA is finalizing a strategic partnership with the Microsoft Corporation. The partnership is designed to increase opportunities for Maryland Information Technology firms through the development of strategic programs, and relationships that will increase access to markets and new customers.

Already the collaboration has provided Maryland MBEs access to and participation in the Microsoft Boot Camp Training Program, and the Executive MBE Program Series at the Tuck School of Business at Dartmouth College. The Microsoft Boot Camp Training Program allows up to 40 Maryland MBEs to participate in an annual intensive training program that offers assistance in the following areas:

- How business is conducted the Microsoft way;
- Navigating Microsoft's organization and procurement process;
- Microsoft product lines and sales tools; and
- Microsoft partnership opportunities.

Last spring, Microsoft provided sponsorships for seven Maryland MBE executives to attend the Tuck Executive MBE Program at Dartmouth College. This weeklong program offers assistance in management, technical, and developmental assistance, which may include but is not limited to organizational, financial management, business development, and strategic planning, marketing, public relations, training and workforce development. The Program targets two types of MBE firms and their respective executives. The **Basic Program**, *"Building a High Performing Minority Business"* is for MBE firms that have been

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More Business for Everyone.

in business 3 to 5 years. The **Advanced Program**, *"Growing the Minority Business to Scale"* is designed for MBE firms that have been in business 5 or more years.

GOMA is also working with Microsoft to provide a more efficient, high-tech approach to deliver training content to a much broader audience through the development of two MBE instructional video communication tools. The first tool is a "How to Guide" for MBEs seeking insight on how to obtain State contracts and navigating the procurement process, etc. The second tool, "Meeting and Exceeding the Goal", is a training video geared toward State procurement agency personnel who administer aspects of the MBE program at the agency level.

This overall effort will yield positive outcomes for Maryland firms and the State welcomes the opportunity to partner with Microsoft, the industry leader in the workplace, software, and training technology.

Future Outlook

In FY 2009, GOMA will continue to reinforce the O'Malley-Brown Administration's commitment to promote and create an era of inclusion and transparency, increase accountability, and implement results-based policies, all of which are designed to expand opportunities for Maryland's small, women and minority business community.

MBE Programs & Policies:

- Continue to improve the performance and accountability for the State's MBE Program.
- Strengthen GOMA's role as the MBE Consultant to State procurement agencies & private sector supplier diversity efforts.
- Enhance the use of technology in the MBE program statewide in reporting efficiencies and data integrity.
- Implement MBE program, legislative and regulation changes to continuously improve the program.
- Continue to support efforts to ensure fair and equal access to State contracts.
- Provide an awareness of all opportunities that can greatly enhance small, minority and women-owned business growth and development.
- Promote efforts that will position Maryland MBEs to compete in the national and global marketplace.

BRAC Initiative:

- Create a roadmap for Small/Minority Business Enterprises around BRAC.
- Create access to BRAC business opportunities.
- Implementation of BRACStat to help forecast business opportunities and track minority business related outcomes.
- Compliance & monitoring of State BRAC infrastructure projects.
- Increase outreach for small, women, and minority-owned businesses on federally controlled BRAC projects.
- Develop Strategic Alliance Initiative to provide inroads for small and minority firms to access expanded business opportunities with existing military defense contracting firms in a mentor/protégé program or joint venture relationship.

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